

ADMINISTRATIVE - INTERNAL USE ONLY

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77-3936/6

17 MAY 1977

MEMORANDUM FOR: See Distribution

FROM : B. C. Evans  
Executive Secretary

SUBJECT : Reception and Representation  
Expenses - Policy

REFERENCE :

STAT

1. You will recall that at the Morning Meeting of 13 May I commented on the Director's recent and detailed examination of past expenditures for official reception and representation functions charged to the DCI Imprest Fund. As a result of this review, he has written a note which prohibits payment of representation expenses for all government officials below Cabinet rank and contractors doing business with the Agency. (See Attachment A.)

2. As the only individual with the final authority to act for the Director in approving the payment of these kinds of charges, I cannot approve any new charges for functions attended only by USG officials after 13 May 1977 unless the purpose is to conduct government business with an individual of Cabinet level rank or higher. This appears to eliminate Ambassadors, senior level military officers, Congressmen and Congressional staffs, as well as some others provided for under . It is not certain the Director intended this drastic a curtailment; however, at the moment, we have no choice but to comply.

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3. In the meantime an "impact and options" paper will be prepared for the DDCI's review upon his return

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from Europe. If you have any contributions or alternative options, please have your support officer or administrative assistant furnish these to [redacted] AO/DCI, by 25 May 1977 (see comments by [redacted] Assistant to the DDCI in Attachment B).

[redacted]  
B. C. EVANS [redacted]  
Executive Secretary

Attachment A  
Attachment B

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AO/DCI [redacted] da (16 May 77)  
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ADMINISTRATIVE—INTERNAL USE ONLY

77-3936-3

11 May 1977

NOTE FOR:

AO/DCI

SUBJECT: DCI's Instructions Regarding Official Reception and Representation Expenses

1. The DCI's note directs that we eliminate "any US Government (only) officials (e.g., NFIB) below cabinet level."

2. This is subject to a couple of interpretations and I suggest that you get together with Ben Evans [redacted] and draft a paper to the DCI which asks for clarification and presents options.

a. Presumably, elimination of US Government officials only pertains to the Executive Branch, not Congress or Staff Directors and senior staff members.

b. Presumably, he wishes to eliminate expenditures for functions involving or on behalf of executive officials only, below cabinet level; that is, payment of expenses for all US officials would be authorized if there is one cabinet level official or other person entitled to entertainment [redacted] present.

c. The "below cabinet level" would appear to rule out Ambassadors and other executive schedule officials (EP II-V). This should be pointed out with a request that he reconsider elimination of those officials.

d. The question of military officers: the "below cabinet level" language would appear to eliminate all military officers. Our regulation currently provides for entertainment at the GS-17 equivalent which is Major General. We should request clarification on this.

3. Elimination of the contractors can be accomplished by revising [redacted] to read as follows:

"...US private citizens (except Agency contractors), including..."

[redacted]

Assistant to the Deputy Director

Attachment:

ER 77-3936-3

77-3936/3

28 April 1977

MEMORANDUM FOR: Director of Central Intelligence

THROUGH: Deputy Director of Central Intelligence  
Executive Secretary

FROM: [REDACTED]  
Administrative Officer, DCI

SUBJECT: DCI Reception and Representation Expenses

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1. After reviewing the summary of expenditures for reception and representation activities during FY 1976, you expressed skepticism regarding the payment of costs associated with "in-house" functions.

2. Similar questions were raised last year by Mr. Bush and Mr. Knoche who directed that a new regulation be issued prohibiting the use of government funds under these conditions. [REDACTED] issued on 1 March 1977 prohibits "The payment of expenses ... for functions or activities attended solely by Agency employees or individuals whose services are funded in whole or in part by the CIA or one of its proprietaries or for whose service CIA reimburses another Government agency or private organization. This prohibition does not apply to functions for or on behalf of individuals serving as consultants ...." Consequently some activities of this type for which payment was authorized in 1976 will no longer be reimbursed.

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3. Costs associated with luncheons or dinners for contractors are not specifically prohibited. Each instance, however, requires (as do all such activities) the authorization of "a senior Agency official." (These officials are explicitly defined as "the DCI, DDCI, D/DCI/NIO, Deputy Directors for Operations, Administration, Intelligence and Science and Technology, Heads of Independent Offices, the Assistant to the Director for Public Affairs and those Chiefs of Station designated by the Director of Central Intelligence.) All expenditures under the provisions of our current reception and representation policy must be reviewed for compliance with [REDACTED] and approved by the Executive Secretary prior to payment.

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4. Under [ ] certain of the expenditures noted by you in red are now prohibited, e.g., coffee for Morning Meetings, Air America officials (proprietaries) and CIA officials (Station Chiefs).

5. Expenditures associated with official functions attended by senior cooperating officials from other government agencies can still be approved under authority contained in our appropriation but only within the limitations prescribed in [ ]. These would embrace the NFIB (and USIB) item as well as "U.S. officials."

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6. Representation expenditures attributed to contractors (e.g., Rand, Boeing, [ ]) are permitted. This type of charge is normally associated only with luncheon costs and is for the purpose of conducting the Agency's business in an atmosphere consistent with common practice in private industry. It also avoids any intimation that contractors are buying lunches for our people.

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7. The items you circled on the breakdown for FY 76 have all been marked as either currently permitted or prohibited under [ ]. The one concerning coffee at the Morning Meeting deserves some explanation. Since the summer of 1975 coffee for the Morning Meeting Members has been provided by the Executive Dining Room, paid for out of their profits, at no charge to the DCI's Reception and Representation Fund. Arrangements are presently being made to charge the Morning Meeting Members and attendees of other regularly scheduled meetings (EAG) individually for their coffee to tea (coffee - \$5 per month, Tea - \$2 per month).

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100-39361-1

MAY 1977

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